

Introduced by Senator Bowen

February 13, 2004

An act to amend Section 874 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 1276, as introduced, Bowen. Telecommunications: lifeline telephone service rates.

The Moore Universal Telephone Service Act established the Universal Lifeline Telephone Service (ULTS) program in order to provide low-income households with access to affordable basic residential telephone service. ULTS rates are required to be set at no more than 50% of either the basic rate for measured service or the basic flat rate service, as applicable, exclusive of federally mandated end user access charges, that are available to the residential subscriber.

This bill would specify that ULTS rates are required to be set at no more than 50% of the basic rate for measured service or the basic flat rate service, as applicable, exclusive of federally mandated end user access charges, that are available to the residential subscriber from the telephone corporation offering the service.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 874 of the Public Utilities Code is
- 2 amended to read:
- 3 874. The lifeline telephone service rates and charges shall be
- 4 as follows:



1 (a) In a residential subscriber's service area where measured
2 service is not available, the lifeline telephone service rates shall not
3 be more than 50 percent of the rates for basic flat rate service,
4 exclusive of federally mandated end user access charges, available
5 to the residential subscriber *from the telephone corporation*
6 *offering the service*.

7 (b) In a residential subscriber's service area where measured
8 service is available, the subscriber may elect either of the
9 following:

10 (1) A lifeline telephone service measured rate of not more than
11 50 percent of the basic rate for measured service, exclusive of
12 federally mandated end user access charges, available to the
13 residential subscriber *from the telephone corporation offering the*
14 *service*.

15 (2) A lifeline flat rate of not more than 50 percent of the rates
16 for basic flat rate service, exclusive of federally mandated end user
17 access charges, available to the residential subscriber *from the*
18 *telephone corporation offering the service*.

19 (c) The lifeline telephone service installation or connection
20 charge, or both, shall not be more than 50 percent of the charge for
21 basic residential service installation or connection, or both. The
22 commission may limit the number of installation and connection
23 charges, or both, that may be incurred at the reduced rate in any
24 given period.

25 (d) There shall be no charge to the residential customer who has
26 filed a valid eligibility statement for changing out of lifeline
27 service.

28 (e) The commission shall assess whether there is a problem
29 with customers who fraudulently obtain lifeline telephone service.
30 If the commission determines that there is a problem, it shall
31 recommend and promulgate appropriate solutions. This
32 assessment and the solutions determined by the commission shall
33 not, in and of themselves, change the procedures developed
34 pursuant to Section 876.

